

# PARTICIPATORY MANAGEMENT AT THE WORLD BANK

BY JOHN  
SIMMONS

In 1972 Robert McNamara, president of the World Bank, announced that the Bank was going to reorient its lending program from mainly helping the rich in the developing countries to mainly helping the poor. By 1975 it was clear to a small number of Bank staff that he could not achieve this objective without two basic changes in the way the Bank did its work. It would require the active participation of the poor in planning and managing the eight billion dollars worth of new projects started each year. It would also require a greater role of the 5,000 Bank employees in making decisions that affected them at the Washington headquarters where 95 percent of the staff work.

Mr. McNamara recognized the importance of the first requirement when, in the fall of 1975, he told the ministers of finance of the 125 countries who appointed the Bank's board of directors: "Experience has shown that there is a greater chance of success if the in-

stitutions provided for popular participation, local leadership and decentralization of authority."

By January 1980 more than 20 work units at headquarters had initiated efforts to increase the role of staff in decisions that affect them, and this was done without an official program in participatory management. This article describes the process by which a volunteer group of employees, including managers, initiated a work-improvement program.

## Why the World Bank?

Of all institutions why should the World Bank need more participatory management?

- The work is glamorous with extensive foreign travel and daily work with ministers of state.

- The staff is recruited from 100 countries, mainly economists, financial analysts, engineers, loan officers, administrators, research assistants and secretaries.

- Some employees work in semi-autonomous teams: the members of appraisal and supervision missions make 85 percent of the decisions concerning the planning and

management of their projects.

- The work is challenging: every project is different as staff grapple with mega-problems of poverty like taming the Indus River or improving the health of the Brazilian peasant.

- The work requires experience and judgment: the mean entry age for upper level staff is 41, and salaries are commensurate.

Why then should some managers and other staff feel that they want more participation in decision making? In brief, neither the staff nor the organization's potential were being adequately used. As a result, morale was declining. The Staff Association — a house union — became more militant. With the same people and budget, differently managed, some staff felt that both working conditions and project performance could improve. The contradiction between the positive human values preached when working on the problems of the poor and the negative values practiced in the organization needed wider understanding and resolution.

These dissatisfactions led to

gaining first the support of the union and then a year later in August, 1979, that of senior management. The Bank's effort to launch a work-improvement program is still in its fragile infancy, but we can report on how it began and the lessons it may provide for others who are skeptical that a grass-roots effort can make people aware of their organization's problems and their solutions.

### How It Began

The effort started with an informal quality of work life group which met to discuss their concerns over lunch. This led to a work-improvement experiment in one work unit. Both were assisted by the same consultant. These efforts, and the interaction between them from 1975 to 1978 began to reveal to a few staff including managers how the Bank really worked. When a crisis in morale surfaced in 1978 as a result of changes in travel policy, lack of legal rights, and erosion of compensation by inflation, a diagnosis of the underlying problems of the organization existed which helped prevent the crisis from becoming a confrontation.

The key to the success of the effort to understand and try out participatory management was the operation of the Participation Advisory Committee (PARTAC). It was created by the assembly of 78 union delegates to study participatory management and make recommendations. The Bank's senior-management committee reviewed the terms of reference of PARTAC, and the vice president for personnel approved an internal sabbatical for one staff member — myself — to chair the committee, and provided a full-time assistant. The committee met weekly for five months before issuing a report.

The committee did not have sufficient management or union support to ask for a typical quality of work life (QWL) "joint committee" composed of both the senior managers and union officials. Neither group understood QWL objectives. Thus to deepen understanding and credibility we wanted as much participation as we could get from both sides. Also, given the lack of

management sanction, this was to be a voluntary group which would hold meetings at the lunch hour. A notice in the union newsletter was sent to all staff announcing the establishment of the committee, the time of the first meeting and inviting anyone who was interested. Fourteen staff from different levels attended, and we began the elaboration of the objectives and the activities to achieve them. A month later, because of interest and organizing efforts, we had a working group of 40, including two vice presidents.

### How It Worked

The committee selected the case method to understand management problems at the Bank and also determine what solutions people might be developing. We felt that people would best learn from their peers, and thus we had to find out what the better managers were doing. (We confirmed, much later, that the Bank staff suffer from an acute case of the "not-invented-here" virus: They believe that they and their organization

are so unique that the experience of others is unlikely to be useful. Thus we were correct in concentrating on what the Bank was doing.) Although we did use some interesting case studies from the U.S. Department of Commerce, General Motors, the State of New Jersey, Norway and Japan, members preferred to talk about the Bank's own experience.

Our approach was to divide the committee into subgroups according to different types of management problems. We encouraged everyone to write a description of a problem they had had at work and the solution, if they had one, in a paragraph or several pages. The subgroup reviewed it, and it was rewritten. We then circulated these to all members and began to discuss some of them in the full committee. For the discussion we tried to bring to the meeting the people who were involved at different hierarchical levels in the management problem and its solution. The case was then rewritten based on the information provided

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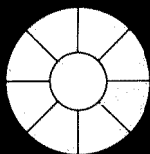
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in the discussion, and then re-circulated. Some cases took two meetings, and some participants were still not satisfied that we had either defined the problem correctly, or understood the solution.

The problems raised in the 18 internal cases covered a wide range of issues.

- When a vice president asked his managers to report on staff concerns about compensation, the staff balked at talking to their managers, saying that they did not trust their managers to communicate accurately up the line.

- The process used to introduce word processing and the resulting reorganization of secretarial and boss relations was criticized by some participants as being pseudo participatory because management had already decided what it wanted to do.

- Management style was repeatedly described as too authoritarian, military and comparable to the human relations found on the assembly line.

- Differences of opinion among professionals were eliminated from "Issue Papers" which had been designed to raise just such problems: managers were seen as trying to reduce obstacles to the quick processing of loan requests.

- Meetings, the daily fare of many staff, did not elicit honest opinions from most participants; distrust, resentment and apathy were major products of such efforts to communicate.

- Staff were not consulted when a new member was being hired for their group, or the budget was being prepared.

One manager saw the Bank as being "over controlled and under-managed:" people were not adequately allowed to participate in decisions that affected them. Instead, budget coefficients and thousands of paragraphs of procedures told them how they should make decisions. (The President of Dana Corporation threw the rule book out the window, with resulting steady increases in corporate performance, because the rules applied to constraining the behavior of 10 percent of the employees. When I read that, I dreamed that

McNamara would hold a meeting of his President's Council to witness a similar act.)

Some work units, we found, had created new approaches to their work. In one unit a group of staff from different levels began a problem-solving process with the assistance of an outside consultant. In another, jobs were successfully redesigned and in another a manager permitted staff to skip one level of the hierarchy in the review process if the staff member want-

ed to. We found several managers who followed the staff consensus about hiring, and encouraged full participation in programming and budgeting.

After two months of case study PARTAC members began drafting their analysis of management problems and what should be done about them. After two more months of redrafting, we recommended that: (1) five to eight work-improvement projects should be initiated in work units with full

management support; (2) workshops, training, and consultants be provided for those units who wish to explore participatory management methods; (3) periodic assessments be made of staff attitudes and behavior concerning management and working conditions; and (4) the work of PARTAC should continue with a secretariat of two full-time staff and with the vice president for administration and personnel responsible for implementing the recommendations.

We circulated early drafts of the report to the executive committee of the union and to as many influential managers as we could in order to learn their objections and the obstacles they saw as to the report's implementation. As the consensus among outsiders grew that our approach was valid, our confidence deepened. We also hammered out our differences within PARTAC between those who wanted to take a harder line to criticize more sharply management's poor performance and those who wanted to take a softer line.

#### The Use of Outside Help

Consultants played a critical role in our effort, beginning in 1975. None of us was skilled in the leadership of an organizational change effort, let alone had much of an idea about precisely what it was we really wanted to change. Through a relationship over three years with one consultant we began to redefine what we thought was wrong with the institution. It took longer to figure out what to do.

In the early days we had no official support for our activity; the consultant first provided services gratis. Our grass-roots effort was nurtured by our commitment to the organization's goals, our lunch hour meetings and the consultant's belief in us and the importance of our problem.

We also began to understand that there were different types of consultants, and recognized the importance of having people who were skilled in the strategy of organizational change and the diagnosis of organizational problems, as well as those skilled in facilitating small groups. Consultants came to PARTAC meetings to work on our problems, and commented on

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the draft report. People leading participatory-management efforts in other organizations also came. We benefited from the thoughts of several staff members with responsibility for management training and reorganization. The consultants advised on all aspects of the work including facilitating some of our meetings.

We have been less successful in getting the 20 preprojects to recognize that they need consultants even more than PARTAC did. To them it is a partial result of the "not-invented-here" virus, and insufficient budget. Also, staff feel that they hire consultants daily on engineering and economic questions to handle the problems of Bank clients, and do not feel that they need to be "told how to manage." Typical consultants produce tangible results like reports.

Although not by design, we were unable to carry out any training until several months after the report had been finished. The training that appears most appropriate includes two, five-day ses-

sions on problem solving, meeting management, team building and an introduction to participatory management. The absence of adequate training opportunities is still a major weakness of the program.

By January, 1980, we had come within reach of obtaining our objectives: the initiation of five to eight work-improvement projects in different work units. About 20 work units had undertaken serious efforts to determine what their problems were and how more participatory management approaches could help in their solution. They did not qualify as full "projects" because they did not have a comprehensive action plan including identification of training needs, criteria to evaluate their progress, or a contract with an outside or staff consultant to assist them over an extended period.

There were other results. A group of volunteers had written a diagnostic and action plan. We had raised awareness among managers and other staff about other styles of management. We had alerted senior management to the deficiencies of the prevailing style and suggested ways to change. And finally, we not only had gained confidence as a group by dealing effectively with a most complex problem, but we also had gained the respect of other employees including senior management.

#### Seven Lessons

Are there some lessons for other insiders who would either like to start similar grass-roots efforts in organizational change in their organization, or for outsiders who could help the insiders?

First, you cannot do it alone. As obvious as this seems, it takes a substantial effort to identify people inside the organization who share the same values. (The shared objectives come later.) It needs planning and hard work.

Second, you need outside help. If there is a good organizational-development person or group inside the organization, and nothing is happening, then you have to identify the institutional constraints. Outsiders also may pose a threat to insiders who may have organizational-development responsibility; if they are not as

effective as they could be, often for reasons beyond their control, then work with them to build bridges directly to the operational units.

Third, model the behavior you value. Your group's activities should model the kind of behavior you feel represents effective process for your organization, including the whole array of small group techniques.

Fourth, time for reading is limited. Important readings, for example, on organizational development we summarized in a page or two, and attached it to an article before circulating to members. With one exception which didn't work, we did not discuss readings in our meetings.

Fifth, do not identify "management" as the enemy. Most of them are just as caught as you are in the structural "log jam" called the organization. They are just as frustrated as you are, and may even be looking for assistance.


Sixth, find a senior manager who is supportive. This lends confidence to the group. Even though the objective is to decentralize decision making, don't be shy in using the power structure. Since the powerful are essential to implementing any grass-roots efforts, bring them along from the beginning.

Seventh, strategy is crucial. Repeatedly clarifying objectives and identifying the one or two next critical activities to achieve them helps us manage the time of our volunteer members effectively. It is time well spent.

To practitioners of participatory organizational development, these lessons may appear obvious. World Bank employees, however, came to them by difficult personal experience and cooperative effort.

In doing so, they started a process to force the organization to examine itself and begin to act. Time will reveal if the process is appropriate to withstand future bureaucratic battles.

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